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INTERIM NATIONAL MUNICIPAL POLICY AND STRATEGY

For Construction Grants, NPDES Permits, And
Enforcement Under The Clean Water Act

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This National Municipal Policy and Strategy is being distributed as "Interim Guidance" to enable EPA Regions and NPDES States to immediately begin implementing the procedures called for by the policy and strategy while still allowing for future changes or clarifications as necessary.

Final guidance will be distributed in early November 1978. However, in order to minimize disruption in the municipal compliance program, EPA Regions and NPDES States should begin implementing the procedures described in this policy and strategy without delay.

Interested persons may submit written comments or suggestions about this Strategy to Ms. Shanna Halpern, Permits Division (EN-336), Office of Water Enforcement, Environmental Protection Agency, 401 M Street, S.W., Washington, D.C. 20460. Written comments or suggestions received by November 1, 1978, will be considered in the development of additional guidance.

U. S. Environmental Protection Agency
Office of Water Enforcement,
Office of Water Program Operations

September 1978

EP2.2

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PART I: INTRODUCTION

An analysis of compliance indicates that the majority of publicly-owned treatment works (POTW's) have not completed construction necessary to meet the 1977 treatment requirements. Many of these POTW's are eligible for relief from enforcement under the Clean Water Act by the provision in section 301(i)(1) that provides for extensions of the time for compliance until no later than 1983. In response to this and other provisions applicable to municipalities, EPA has developed a municipal policy and strategy for more effectively managing municipal compliance with the Clean Water Act. The goal is to integrate permits, enforcement, and construction grant activities by:

- o issuing, to qualified POTW's, extensions with enforceable compliance schedules based on grant funding, in the form of permits and administrative orders.
- o coordinating with States to develop State Project Priority Lists which assure that grant funding is allocated to projects necessary to meet the enforceable requirements of the Act before funding is allocated to other projects, to the extent authorized by law; and
- o laying the foundation to permanently coordinate grant, permits, and enforcement operating practices with the aim of streamlining compliance by municipalities while simultaneously removing impediments to enforcement actions, if needed.

The Municipal Policy and Strategy under the Clean Water Act contains: (1) a process for determining whether a permittee will be eligible for a permit extension, be issued an administrative order, or be subject to referral for judicial action; (2) a description of how Construction Grant and Permit staffs will coordinate in the issuance of permits containing actual dates based on grant schedules as compliance milestones;

(3) a description of how Construction Grants and Enforcement staff will coordinate to produce administrative orders containing grant-based compliance schedules; (4) a description of the relationship of Permit and Enforcement actions to State Project Priority Lists and the Act's enforceable requirements; and, (5) a schedule for revising the Enforcement Management System (EMS), and two computer systems, the Permit Compliance System (PCS) and PCS's interface with the Grants Information Control System (GICS), in order to permanently coordinate these efforts.

PART II: LEGISLATIVE BACKGROUND

Section 301(i)(1) provides relief to POTW's which did not have adequate Federal funding in time to meet the 1977 treatment requirements. This section authorizes permit issuing authorities to grant timely requests for extensions of the July 1, 1977 treatment deadline, "where construction is required. . . to achieve limitations . . . but. . . (B) the United States has failed to make financial assistance under this Act available in time" (emphasis added). Any permit issued or modified under section 301(i)(1) must contain, among other terms and conditions, "a schedule of compliance. . . . based on the earliest date by which such financial assistance will be available. . . and construction can be completed, but in no event later than July 1, 1983. (emphasis added).

Section 216 authorizes the Administrator to remove a project from a State's priority list, "if the Administrator, after a public hearing, determines that a specific project will not result in compliance with the enforceable requirements of this Act" (emphasis added). The enforceable requirements of the Act include the NPDES permit, administrative orders, and court orders, including consent decrees.

Since they also affect compliance with the CWA, several other sections have a direct effect on POTW's and the national municipal policy and strategy. Sections 307(b) and (c) and 402(b)(8), as implemented by 40 CFR 403, require certain POTW's to have a pretreatment program in place and approved by no later than July 1, 1983. Section 301(h)

authorizes applications for modification of the secondary treatment requirements for certain POTW's discharging into marine waters-- many POTW's have requested both 301(i)(1) extensions and 301(h) modifications.

PART III: STATUS AND SCOPE OF MUNICIPAL NONCOMPLIANCE

Description of the Noncompliance Problem

POTW compliance with the July 1, 1977, treatment deadline has been classified as follows:

CATEGORY I	POTW's that need construction to comply; did not significantly contribute to the delay in construction; construction grant funding is or will be available to assist in complying; and can complete construction by 1983 deadline.
CATEGORY II	POTW's that need construction to comply; did not significantly contribute to the delay in construction; construction grant funding is available to assist in complying; but cannot complete construction by 1983 deadline.
CATEGORY III	POTW's that need construction to comply; did not significantly contribute to the delay in construction; for whom construction grant funding does not appear to be available by July 1, 1983; and, consequently, cannot complete construction by 1983 deadline.
CATEGORY IV	POTW's that do not need construction to comply; and are not meeting effluent limitations or other NPDES requirements.
CATEGORY V	POTW's that need construction to comply and did significantly contribute to the delay in construction, or, POTW's that need construction to comply but due to lack of position on project priority lists, may require judicial action to assure the availability of construction grant funding.

Scope of the Noncompliance Problem

Table A provides a summary of POTW compliance with the 1977 treatment requirements.

TABLE A

STATUS OF MUNICIPAL COMPLIANCE[1]

DATA CATEGORY	EPA REGIONS MAJOR	EPA REGIONS MINOR	NPDES STATES MAJOR	NPDES STATES MINOR	NATIONAL TOTAL MAJOR	NATIONAL TOTAL MINOR
Municipal Permittees In Compliance w/'77 Deadline[2]	462	1,112	904	4,667	1,366	5,779
Municipal Permittees Not In Compliance w/'77 Deadline	857	2,284	1,556	5,484	2,413	7,768
Total Number of 301(i)(1) Requests Received	922	2,341	1,435	4,952	2,357	7,293
Municipal Permittees In Category I - Sufficient Funding to Meet 1983 Deadline[3]	583	1,210	1,307	3,290	1,890	4,500
Municipal Permittees in Category II - Sufficient Funding (Steps 1-3) But Cannot Meet 1983 Deadline[3]	94	160	187	439	281	599
Municipal Permittees in Category III - Need Construction But No Funding Expected To Be Obligated[3]	180	914	62	1,755	242	2,669

Total Municipal Permittees Requiring Pretreatment Programs Pursuant to 40 CFR 403	1,135
Total Section 301(h) (Marine Discharge Modification) Requests Received[4]	200
Total Municipal Permittees Holding Enforcement Compliance Schedule Letters (ECSLs) not requesting Section 301(i)(1) Extensions	618

[1] Based on estimates from EPA Regions and NPDES States

[2] Denotes only that facilities are built. Some may fall in Category IV because of inadequate O&M.

[3] Some of these will ultimately be reclassified into Category V because their delays are significantly attributable to their own actions or lack of action.

[4] Headquarters estimate as of 9/20/78

Solution and Remedies to the Noncompliance Problem

Major municipal compliance with the treatment requirements of the Clean Water Act along with the major industrial dischargers included in the major source enforcement effort is the primary water enforcement priority. Now that the number of major industrial sources out of compliance has been reduced, enforcement actions aimed at significant POTW's which have not installed secondary or better treatment will be stepped up in accordance with procedures discussed in this strategy.

Initially, placing POTW's on enforceable compliance schedules is essential to an effective municipal compliance effort. The methods of accomplishing this are:

(1) Section 301(i)(1) extensions to qualified POTW's, as discussed in Part V;

(2) Section 309(a)(5)(A) Administrative Orders, as discussed in Part VI, to certain POTW's unable to comply by July 1, 1983; and

(3) Referral for judicial action in appropriate cases, as discussed in Part VIII.

A process for determining which compliance solution is appropriate is described in Part IV; and procedures and priorities for administering each solution are described in Parts V - VIII. Part IX discusses a longer range program aimed at correcting certain operating practices to insure that elements of this policy and strategy are permanently implemented in a consistent and uniform manner by EPA Regions and NPDES States.

Table B illustrates the five categories of municipal noncompliance and the appropriate Regional or NPDES State compliance solutions.

TABLE B

CATEGORIES OF AND RESPONSES TO M

CATEGORY	EXTENSION REQUESTED	NO ESCL[2/]
Category I	Grant 301(i) request; issue permit with compl. schedule assuring completion of construction by 1983.	Issue permit 309(a)(5)(A) Administrati Order(s) [3/] compl. Sched assuring com construction
Category II and Category III	Deny 301(i)(1) request; issue permit requiring immediate compliance with secondary or more stringent treatment; Issue 309(a)(5)(A) Administrative Order(s) with compliance schedule not extending beyond 1983.	Issue permit quiring imme compliance w secondary or stringent tr issue 309(a) Administrati Order(s) not tending beyo
Category IV	Deny 301(i)(1) request; referral for judicial action or issue 309(a)(5)(A) Administrative Order(s).	Referral for judicial or issue 309 Administrati Order(s).
Category V	Deny 301(i)(1) request; referral for judicial. action.	Referral for judicial act

[1/] Requests for 301(h) not included. 301(h) requests to be

[2/] ECSL means Enforcement Compliance Schedule Letter or comp

[3/] 309(a)(5)(A) Order or comparable state procedural mechani

[4/] ECSL policy prohibited the issuance of ECSLs beyond the

NICIPAL NONCOMPLIANCE

	301(i)(1) EXTENSION NOT REQUESTED	
	NONCOMPLIANCE WITH ECSL	COMPLIANCE WITH ESCL
and e ith le letion by 1983.	Revoke ECSL; Issue 309(a)(5)(A) Administrative Orders with compl. assuring completion of construction by 1983.	Monitor compliance with ECSL
re- iate th more atment; 5)(A) e ex- d 1983.	Revoke ECSL, issue permit requiring immediate compliance with secondary or more stringent treatment; issue 309(a)(5)(A) Administrative Order(s) not extending beyond 1983.	Not Applicable 4/
action a)(5)(A) e	Referral for judicial action or issue 309(a)(5)(A) Administrative Order(s).	Not Applicable
on.	Referral for judicial action.	Not Applicable

rocessed before 301(i)(1) requests.
rable state procedural mechanism.
m.
fe of a permit, e.g. beyond July 1, 1983.

PART IV: MUNICIPAL NONCOMPLIANCE CLASSIFICATION PROCESS

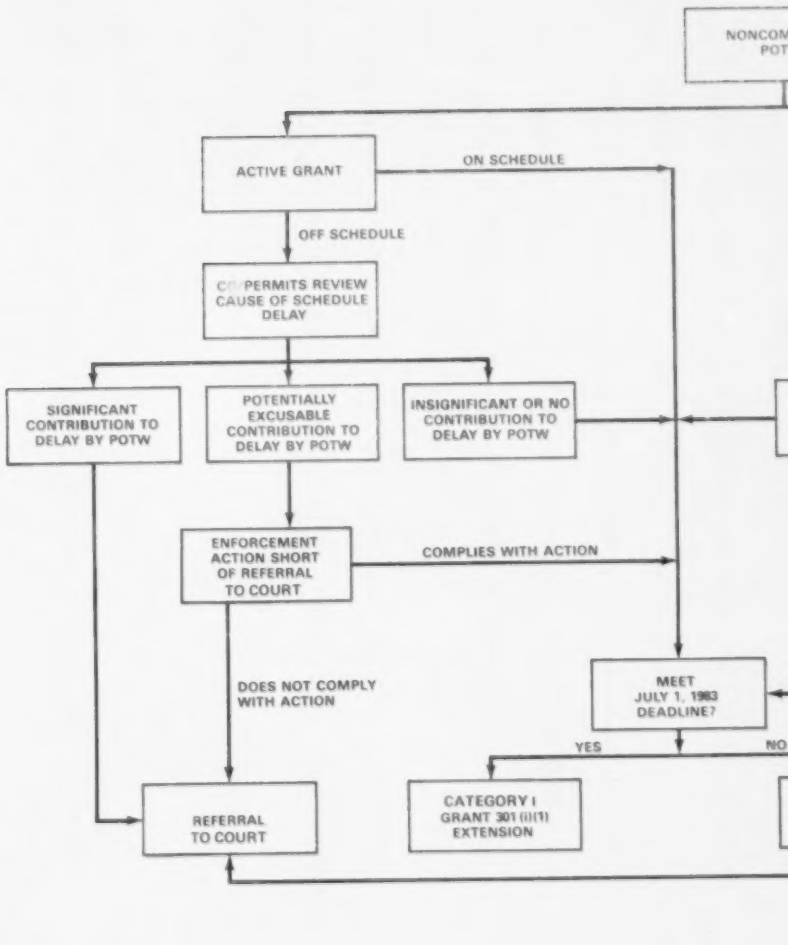
Purpose

The process outlined in this part provides a systematic method to determine whether a POTW should receive a 301(i)(1) permit extension, be issued a 309(a)(5)(A) Administrative Order, or be subject to referral for judicial action. 1/

The flow diagram divides POTW's into two groups--those with and those without active grants. POTW's with active grants which have not significantly contributed to a delay in funding or completion of construction will be granted 301(i)(1) extensions or issued administrative orders; the outcome depends on whether the POTW requested an extension and can complete construction by July 1, 1983. POTW's which have significantly contributed to a delay in funding or subsequent construction will be candidates for referral for judicial action, or administrative orders.

POTW's without active grants, particularly POTW's in Category III, should be moved into the grant process whenever possible. In these instances, the Region or NPDES State, through review of project priority lists, should request the State Grants authority to revise its project list in order to fund the particular POTW to any extent possible. If projects are being funded which do not meet enforceable requirements, the Regional Administrator should reject them under section 216 of the CWA in order to make funds available to projects needed to satisfy permit needs. Alternatively in some cases, the Region may initiate judicial action aimed in part in increasing priority rating and funding availability for the POTW.

1/ Part VIII contains a discussion of when States with administrative penalty procedures should use administrative penalties first rather than referral for judicial action.


PROCESS FOR CLA
OF NONCOMP
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POT
ACTIVE GRANT
ON SCHEDULE
OFF SCHEDULE
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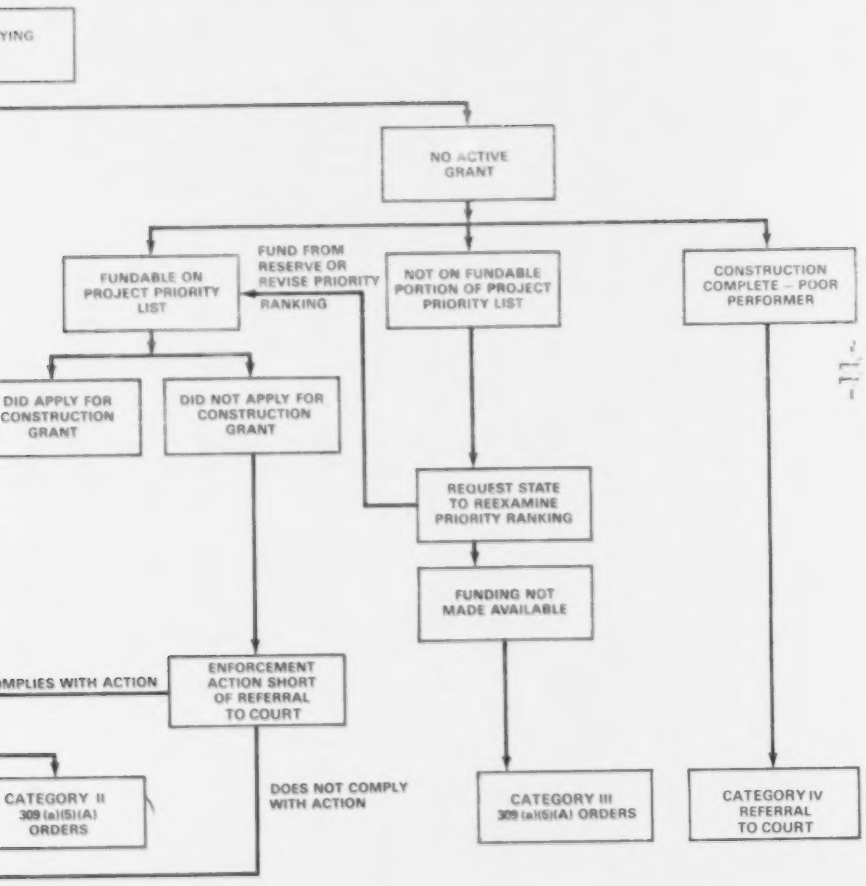
CONTRIBUTION TO
DELAY BY POTW
POTENTIALLY
EXCUSABLE
CONTRIBUTION TO
DELAY BY POTW
INSIGNIFICANT OR NO
CONTRIBUTION TO
DELAY BY POTW
ENFORCEMENT
ACTION SHORT
OF REFERRAL
TO COURT
COMPLIES WITH ACTION
DOES NOT COMPLY
WITH ACTION
MEET
JULY 1, 1983
DEADLINE?
YES
NO
REFERRAL
TO COURT
CATEGORY I
GRANT 301 (i)(1)
EXTENSION

SIFYING STATUS
ING POTWs


YING
NO ACTIVE GRANT
FUNDABLE ON PROJECT PRIORITY LIST
FUND FROM RESERVE OR REVISE PRIORITY RANKING
NOT ON FUNDABLE PORTION OF PROJECT PRIORITY LIST
CONSTRUCTION COMPLETE – POOR PERFORMER
DID APPLY FOR CONSTRUCTION GRANT
DID NOT APPLY FOR CONSTRUCTION GRANT
REQUEST STATE TO REEXAMINE PRIORITY RANKING
FUNDING NOT MADE AVAILABLE
MPLIES WITH ACTION
ENFORCEMENT ACTION SHORT OF REFERRAL TO COURT
CATEGORY II 309 (a)(5)(A) ORDERS
DOES NOT COMPLY WITH ACTION
CATEGORY III 309 (a)(5)(A) ORDERS
CATEGORY IV REFERRAL TO COURT

The referral technique generally should be used only after all other remedies have been exhausted.

301(i)(1) Initial Test

The 301(i)(1) interim final regulations [1/] state that no extension can be granted unless a POTW requires construction to meet treatment requirements, and either:

(a) Actual construction was underway before July 1, 1977, but construction could not physically be completed by July 1, 1977, despite all expeditious efforts of the POTW; or

(b) Federal financial assistance was not available in time for construction required to achieve these limitations, and the POTW did not in any significant way contribute to this unavailability or delay.

Section 301(i)(1) does not authorize the granting of any extensions where construction cannot be completed by July 1, 1983. For this reason, the interim final regulations require States to certify that funding will be available in time to ensure compliance by July 1, 1983. It is anticipated that award dates for Step 3 grants can be projected with reasonable accuracy based on the new construction grant requirement for five-year project priority lists beginning in FY 1980. Generally, if a Step 3 grant is projected for award by July 1, 1981, it should be assumed that construction can be completed by July 1, 1983. Smaller and larger POTW's as well as segmented grants may be exceptions to this rule.

1/ 40 CFR 124.103

POTW's with Active Grants

POTW's which are on their grant schedule or had begun a continuous program of physical construction of the facility before July 1, 1977 (i.e., into Step 3), can complete construction by July 1, 1983, and which meet the criteria of section 301(i)(1) as outlined in 40 CFR 124.103 should be granted 301(i)(1) extensions.

Generally, there are two major ways in which POTW's may be off grant schedules--(1) preconstruction lag (POTW's that have been awarded grants but have not begun work, primarily at the Step 3 stage), or (2) POTW's that have begun work but encountered delays. Only off-schedule POTW's that can be considered not to have caused funding or construction delays, are immediately eligible for 301(i)(1) extensions (e.g., preconstruction lag because State law prohibited the raising of matching local funds prior to the award of Federal funds).

Where delays exist, the Region or NPDES States should review the cause and nature of delay (e.g., to determine whether compliance would better be assured by referral for judicial action, or issuance of a 301(i)(1) extension or a 309(a)(5)(A) administrative order). In determining that a judicial action should be taken against a POTW for failing to meet the July 1, 1977 deadline, the Agency has necessarily determined that the failure of the POTW to meet that deadline is attributable in significant measure to the POTW's own action or inaction rather than the unavailability of Federal funds. Since this determination is despositive of 301(i)(1) requests, requests should be denied for any POTW against which a judicial action has been filed or referred. However, where no referral for judicial action is pending or planned, if the cause and

nature of any funding or construction delay is less serious, the Region or NPDES State should exercise its prosecutorial discretion through an administrative form of enforcement action prior to the 301(i)(1) determination to give the POTW an opportunity to demonstrate its intention and ability to meet the new deadline. An example might be where a POTW was eligible and could have applied for a construction grant but did not, and had not been encouraged to do so by any office in the Agency; in lieu of immediate referral for violation of the July 1, 1977 deadline, Enforcement should issue the POTW an administrative order requesting submission of a construction grant application by a specific date. Failure to satisfactorily comply with such a request would indicate that the POTW does not intend to make all reasonable efforts to comply with the new deadline; therefore, the 301(i)(1) extension should be denied, eligibility for nonenforceable requirements projects (e.g., projects not directly related to construction of works to satisfy permit requirements) should ordinarily be suspended and the POTW should be subject to referral for judicial action.

When a municipal case is in court, the record should show that the Agency has been internally consistent in dealing with the POTW. By using enforcement actions short of referral first, the Region or NPDES State carries out enforcement actions in conjunction with an offer of Federal financial assistance; if a POTW fails to comply with the enforcement actions short of referral for judicial action, the subsequent case for referral for judicial action will be much stronger because Agency program actions appear consistent to the court.

If a POTW complies with interim enforcement actions (confirming that it is taking all reasonable steps to comply with the Act) and can meet 1983 referral for judicial action is not necessary and a 301(i)(1) extension may be granted. If the POTW did not request an extension and does not hold an ECSL or cannot meet 1983, an administrative order may be issued. This approach does not mean that administrative orders are to be the enforcement mechanism of first choice in all cases. Where the POTW has a history of delay despite pressure by the Agency to proceed, referral for judicial action should be considered the enforcement mechanism of first choice.

POTW's Without Active Grants

The right side of the flow chart addresses the three types of POTW's without an active grant: (1) those on the fundable portion of a State Project Priority List (PPL), (2) those not on the fundable portion of a PPL, and (3) those which completed final construction but are not meeting required effluent limitations. Some POTW's that are on the fundable portion of a PPL may not have applied for a grant. In order to encourage movement into the grant process, appropriate enforcement actions should be taken informing such POTW's that funds are available and they have that "X" days to apply for a grant or their 301(i)(1) request will be denied. If the POTW complies and enters into an active grant posture, a determination to issue a 301(i)(1) request or administrative order can be made based on the ability of the POTW to complete construction by July 1, 1983.

In the case of POTW's not on the fundable portion of the PPL, an effort should be made to elevate significant POTW's selected by the Region and NPDES State into the fundable portion of the PPL; i.e., move POTW's from Category III to II. In all cases, Enforcement will analyze the nature of the violation and determine if a revision to the POTW's project ranking is justified. If, for example, the action was for an effluent violation resulting in serious stream degradation, the Regional Administrator should contact the State to request that the POTW's project be placed in the fundable range of the PPL. The State would be asked to: (1) re-evaluate the original priority rating, or (2) consider funding from the Step 1 and Step 2 grant reserve. If the State increases the priority rating or agrees to fund from the reserve, then Enforcement, if necessary, will issue a letter or order soliciting an application and the process would follow the pattern outlined in the section on Active Grants. Should the State deny increased priority or if an increase in priority is not required, the POTW should be considered to have no funding available by July 1, 1983, and hence be unable to meet the 1983 construction deadline necessary for granting of a 301(i)(1) extension. If the POTW is a major or significant pollution problem, serious consideration must then be given to bringing a judicial action under 309(e) of the Clean Water Act aimed, in part, to require the State to provide funding availability.

Determining the appropriate compliance response (301(i)(1), administrative order, or referral) is clearly dependent on grant funding. Since a "delay" period may be experienced in the development of more complex PPL's the processing of some 301(i)(1) requests may be deferred until FY 1980,and in the case of some minors, beyond FY 1980.

POTW's Which Have Completed Construction

POTW's that have completed construction and are not meeting their NPDES permit limitations because of poor operation and maintenance, etc., are not eligible for 301(i)(1) extensions and are candidates for various enforcement remedies, see Part VIII.

PART V: ISSUANCE OF 301(i)(1) EXTENSIONS

Issuing or modifying NPDES permits to incorporate 301(i)(1) extensions is directly related to the construction grant process and close coordination and sharing of information between the two program offices is required. In the same way, awarding or amending grants to POTW's that are issued 301(i)(1) extensions must also be coordinated so that fixed permit compliance milestones insure that major construction grant dates are enforceable and consistent with grant agreements. Since the great bulk of program integration will occur through the 301(i)(1) mechanism, the following chart illustrates how the Permits and Construction Grants staff must work together to formulate 301(i)(1) permit terms and conditions and award construction grants to POTW's with 301(i)(1) extensions, although the same coordination must take place in formulating compliance schedules in administrative orders.

As shown, a suggested sequence of activities beginning in FY 1979 for implementing the 301(i)(1) process at the Regional and State level would be as follows:

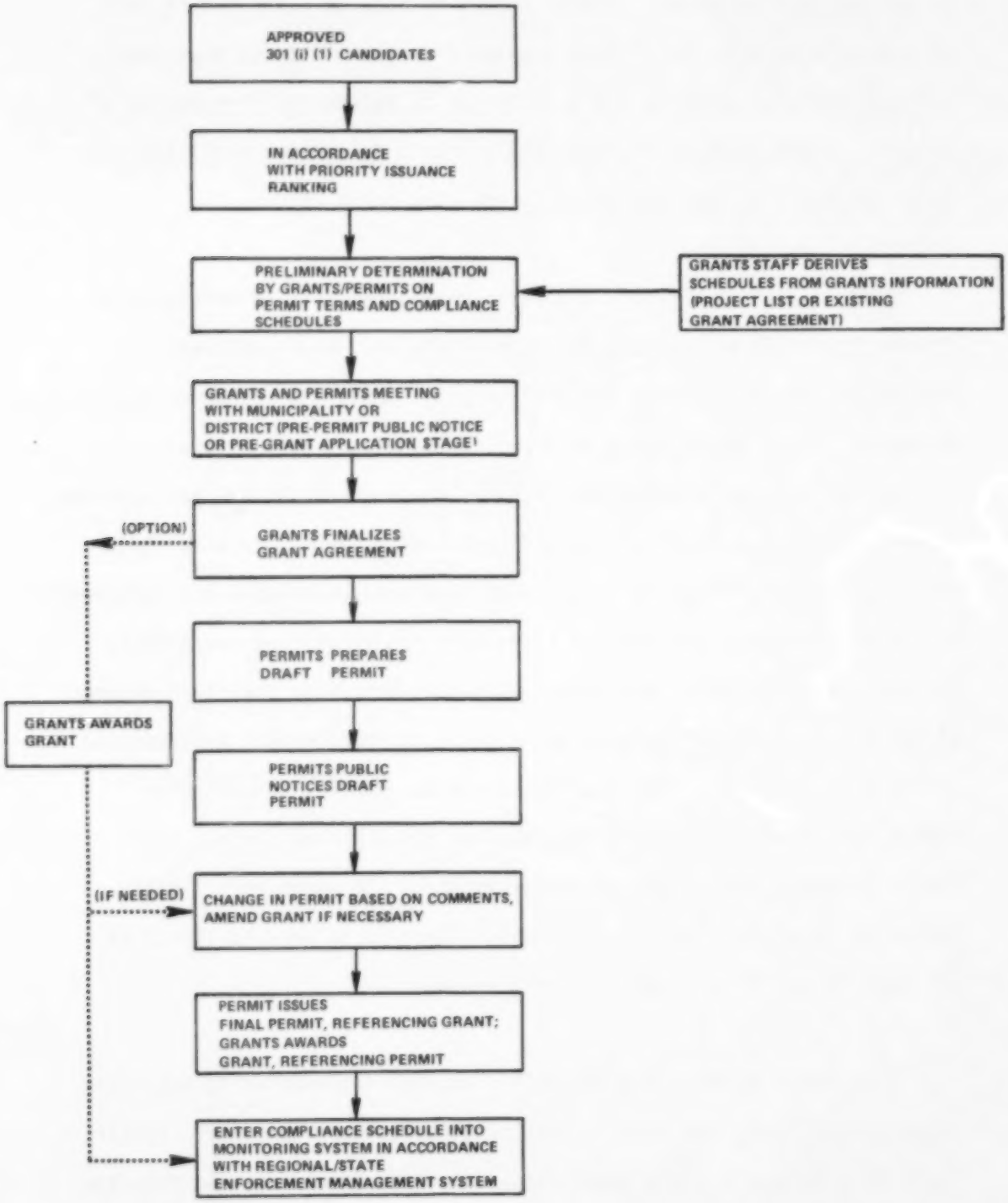
(1) Permits staff will provide the list of 301(i)(1) applicants to the Grants staff.

(2) Grants staff will determine which of the applicants are on the fundable portion of the PPL and supply the grants schedule to Permits staff.

(3) Permits and Enforcement staff will simultaneously prepare additional permit and compliance information.

(4) Grants staff will determine which of the 301(i)(1) applicants have active grants through use of the GICS system and will provide the project information to Permits and Enforcement staff for their use.

APPROACH TO
PERMIT ISSUANCE
FOR APPROVED 301 (i) (1) EXTENSIONS



The remaining 301(i)(1) applicants not covered by PPL or GICS would be the unfunded projects. Efforts should be made to place the FY 1979 unfunded projects on the FY 1980 one-and five-year lists so that they can meet the 1983 deadline and qualify for an extension. Processing of 301(i)(1) requests from unfunded POTW's should be delayed until the State project list has been properly adjusted in FY 1980.

A final list of eligible extension candidates must be developed by the Permits staff and sent to the Water Division. Where effluent limitations are established by water quality standards, the Water Quality Management staff on the basis of approved 208 plans, generally will provide the effluent limitations; Permits staff generally are not expected to develop water quality-related effluent limitations. Permits staff will review these limits to assure that they are supportable and enforceable. If the Permits staff are not satisfied that the limits are supportable and enforceable, Permits and Grants should inform Water Quality Management of the nature of their concerns and attempt to reach mutual agreement on effluent limitations. Once the limits are acceptable, Construction Grants will develop construction schedules based on the project list and/or schedule in existing grant agreements. If acceptable limits cannot be developed, Permits staff should proceed to develop limits as was done in the first round of permit issuance.

Once the schedule and effluent limitations information is available, Construction Grants and Permits must continue to work together. Permits staff will develop a draft permit based on information received from the

Construction Grants and Water Quality Management staff, and Grants staff will develop a proposed grant award agreement. Since, as explained below, the grant process cannot move forward until this work is completed, Grants personnel shall accord this work the same priority as to their own work on the underlying grant.

The draft permit (and final permit) must include a compliance schedule which contains actual milestones derived from the grants process. The PCS and GICS systems are presently being reviewed to develop both necessary and discretionary grant events that can be placed in permits and subsequently monitored. At a minimum, the compliance schedule should contain project grant completion dates, the date for completion of construction, and the date for attainment of operational level. 1/ By coordinating permit issuance and grant award, as well as holding a pre-public notice or pre-grant application conference attended by both Permits and Grants staff with the permittee/ grantee on the draft permit and compliance schedules, it is anticipated that there should be few interim compliance dates slipping beyond 120 days. 2/

Representatives of all involved offices must be at any meetings with the grantee/permittee to discuss the information placed in the draft permit and grant conditions. A pre-public notice, conference and/or grant preapplication conference may also resolve certain permit problems before the permit is issued and thus reduce the number of

1/ Municipal event codes are being developed as part of the EMS updating (see Part IX).

2/ When interim compliance dates are missed by 120 days or less, but the final compliance date is not changed, the permit may be modified without public notice (proposed regulations 40 CFR 122.31(e)(3), Federal Register, August 21, 1978)

adjudicatory hearing requests. At a minimum, if no pre-public notice conference is held, the permittee must be sent a copy of the draft schedule and allowed to comment on the schedule before the permit is public noticed.

After the permittee has made any comments on the draft permit, the Permits staff will publish notice on the draft permit and make any changes resulting from the public notice. Permits and Construction Grants staff then meet jointly to determine if any changes to the draft permit may that affect the existing or proposed construction grant award. If so, then the grant would require adjustment accordingly. Permits staff would then issue the permit in final form. Depending on the circumstances and numbers involved, the final permit may be issued either before or after the award of the construction grant. where the grant award satisfies requirements of a permit, Grants staff should reference the NPDES permit number in the grant and Permits staff should reference the construction grant award identification number in the permit. Further it is suggested that copies of both the grant and permit should be kept in each program's files. It is not necessary to defer grant award until the permit is issued, unless significant permit issues directly affect the type of project for which the award is intended. However, if an adjudicatory hearing is requested and granted on construction grant-related issues, both programs must again coordinate to share information necessary to resolve the adjudicatory hearing; e.g., how schedules were developed, etc.. No grants to POTW's should be awarded, that relate to the permit issue in question, while relevant

portions of the permit are stayed by the adjudicatory hearing. Once the adjudicatory hearing is resolved, Permits should issue a final permit and Construction Grants should make necessary amendments to the grant award.

The Relationship of Section 301(h) to Section 301(i)(1)

In the Regions and NPDES States which have POTW's discharging into marine waters, almost all POTW's which applied for a 301(h) modification also requested a 301(i)(1) extension. In such cases, the 301(h) application should be processed first; 301(i)(1) requests should not be processed until after a final decision to grant or deny a 301(h) modification has been made. If the 301(h) is granted, it will be the basis for the new compliance schedule and the 301(i)(1) request should be denied. If the 301(h) is denied, the 301(i)(1) request should then be considered in the same manner as other 301(i)(1) requests. Specifically if the POTW can complete construction by July 1, 1983, the request should be granted; if the POTW cannot complete construction by July 1, 1983, the request should be denied and a 309(a)(5)(A) order may be issued not extending beyond July 1, 1983.

In some cases, the delay pending the 301(h) determination will force the POTW into Category II and a 309(a)(5)(A) order must be issued rather than a 301(i)(1) extension. In order to avoid this situation, POTW's should be advised to proceed on the basis of their construction schedule until they reach the critical point at which further construction will depend on EPA's decision on the 301(h) application. Further guidance will be provided in the Preamble to the final 301(h) regulations.

PART VI: ISSUANCE OF 309(a)(5)(A) ADMINISTRATIVE ORDERS

Approach

309(a)(5)(A) Administrative Orders must always be issued in conjunction with an underlying permit which requires compliance with the July 1, 1977 treatment requirements. Where 309(a)(5)(A) Administrative Orders are appropriate, compliance schedules in the administrative order will be determined by the identified dates on which funding is available (in an existing grant agreement), or will be available (in projected grant funding derived from the approved project priority list). The coordination between Enforcement and Grants in the issuance of these orders should be the same as the coordination between Permits and Grants discussed in Part V.

The contents of these administrative orders will differ slightly depending on whether the administrative order is for a POTW in Category I, II or III. Each administrative order will contain a compliance schedule which reflects milestone dates derived from the grant process and will be in accordance with comparable dates for the construction grant step. Since construction grants are awarded in steps and the funding may not be continuous (except for combined Step 2+3 grants), issuance of succeeding administrative orders may often be necessary. In no event should an administrative order contain a compliance schedule extending beyond July 1, 1983, the final date for municipal compliance established by Congress in section 301(i)(1). The use at this time of 309(a)(5)(A) administrative orders to extend the 1983 deadline would be premature and apparently inconsistent with the expression of legislative intent implicit in 301(i) that the 1983 date be inviolate. Thus, the

last compliance date in the administrative order will be on the last identified date in the POTW's grant schedule prior to July 1, 1983, even if that date only takes the POTW through part of the construction grants process and toward final limits.

POTW's in Category I which have not requested 301(i)(1) extensions (because instructed not to by Federal or State officials or because of other legitimate reasons) and which do not hold ECSL's may be issued administrative orders. It should be noted that only one administrative order need be issued for each POTW in Category I where such administrative order is appropriate. This administrative order will move the permittee through the entire grant process and toward completion of construction by July 1, 1983 (see Part V).

POTW's in Categories II and III should be issued 309(a)(5)(A) administrative orders. Such POTW's cannot receive 301(i)(1) extensions because construction will not be completed by July 1, 1983. Each administrative order should reflect one step in the permittee/grantee's construction grant award and should require compliance with the requirements of that step by the final date for the completion of the step, or July 1, 1983 (whichever is earlier).

In Category II, a POTW may not be funded beyond facility planning (Step 1), requiring issuance of an administrative order whose final compliance date will be the Step 1 completion date. Subsequent administrative orders would be issued incrementally, with compliance schedules reflecting the last dates of each construction grant award.

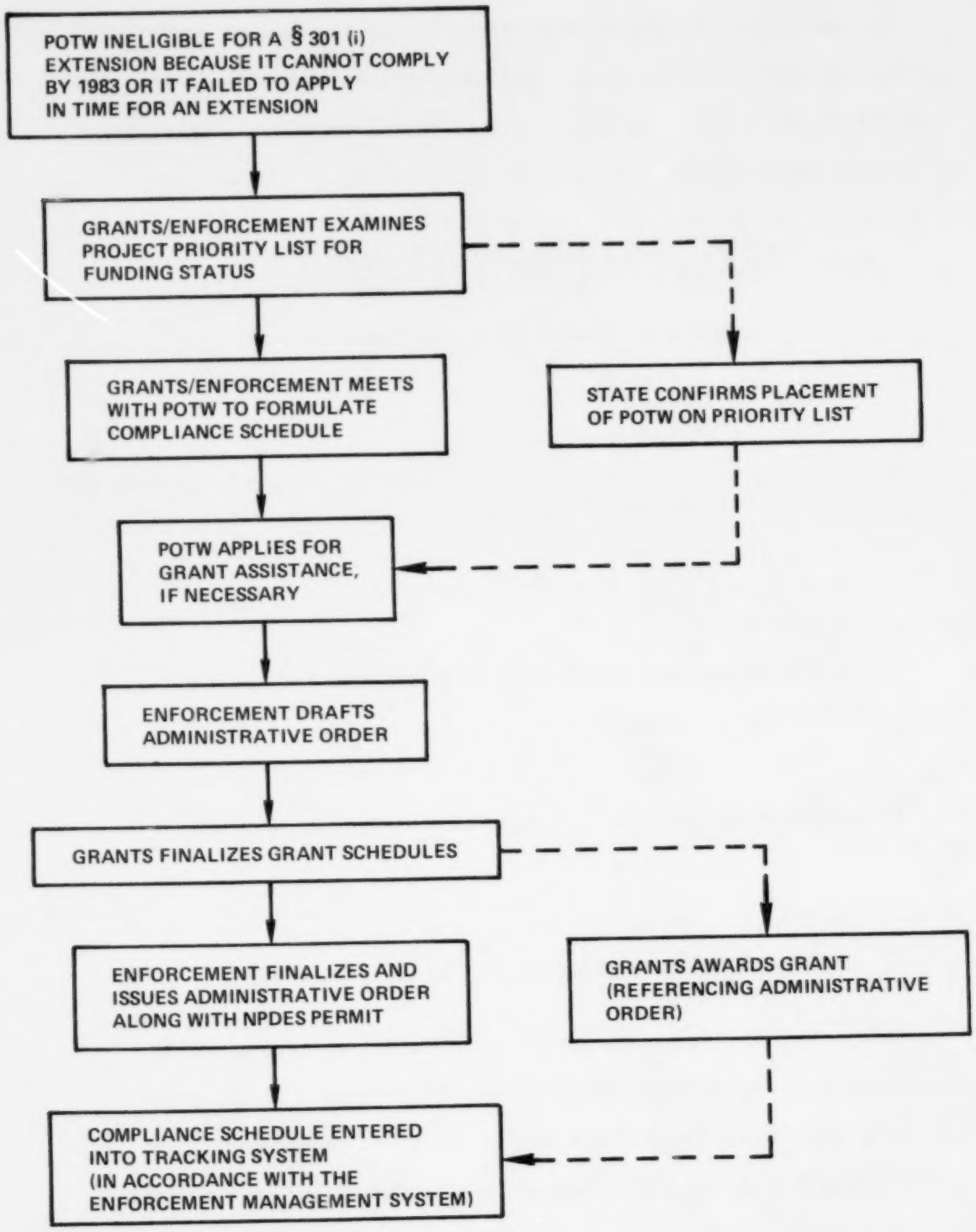
In Category III a major or significant POTW will not appear on either the one or five-year PPL. More than one administrative order may be necessary to carry the POTW as far as possible, through the construction grant process by July 1, 1983, as grant milestones are identified.

Administrative orders are intended to be managed like a 301(i)(1) extension. Thus, a POTW's compliance with its administrative order should be monitored as would a 301(i)(1) extension, and the enforcement response to any violations of such an administrative order would be carried out in accordance with procedures delineated in a Region or State's Enforcement Management System.

When a NPDES State proposes to grant a 301(i)(1) extension to a POTW in Categories II, III, IV, or V, the Region should object to and if necessary, veto the permit. When an NPDES State proposes to issue an administrative order to a POTW within Categories II or III, the Region should closely review the administrative order to assure that the administrative order comports with this policy and strategy. If the order does not comport with this policy, for example, because the State administrative order goes beyond July 1, 1983, the Region should request that the order when issued be in conformity with this policy. If the State does not so modify the administrative order, the Region should issue its own 309(a)(5)(A) administrative order and inform the POTW and the State that the State order is without authority and that compliance with it alone will not protect it from Federal enforcement. Further, the Region always retains its right to take enforcement action independent of any State enforcement action.

The objective for issuing 309(a)(5)(A) administrative orders is to establish an enforceable schedule for compliance based on progress which can be made up to 1983--even if the schedule does not require completion of construction. The following flow chart illustrates an approach to issuance of 309(a)(5)(A) administrative orders (or comparable State procedural mechanisms) when used as a means to obtain an enforceable schedule.

APPROACH TO THE ISSUANCE OF § 309 (a) (5) (A)
ADMINISTRATIVE ORDERS


POTW INELIGIBLE FOR A § 301 (i) EXTENSION BECAUSE IT CANNOT COMPLY BY 1983 OR IT FAILED TO APPLY IN TIME FOR AN EXTENSION
GRANTS/ENFORCEMENT EXAMINES PROJECT PRIORITY LIST FOR FUNDING STATUS
GRANTS/ENFORCEMENT MEETS WITH POTW TO FORMULATE COMPLIANCE SCHEDULE
STATE CONFIRMS PLACEMENT OF POTW ON PRIORITY LIST
POTW APPLIES FOR GRANT ASSISTANCE, IF NECESSARY
ENFORCEMENT DRAFTS ADMINISTRATIVE ORDER
GRANTS FINALIZES GRANT SCHEDULES
ENFORCEMENT FINALIZES AND ISSUES ADMINISTRATIVE ORDER ALONG WITH NPDES PERMIT
GRANTS AWARDS GRANT (REFERENCING ADMINISTRATIVE ORDER)
COMPLIANCE SCHEDULE ENTERED INTO TRACKING SYSTEM (IN ACCORDANCE WITH THE ENFORCEMENT MANAGEMENT SYSTEM)

PART VII: PRIORITIES FOR ISSUANCE OF EXTENSIONS AND ADMINISTRATIVE ORDERS

Optimum use of resources is required in the issuance of modified permits and administrative orders and the awarding of grants if the 1983 deadline is to be met. Following is a suggested priority in which these activities should occur:

PRIORITY FOR ISSUING 301(i)(1) EXTENSIONS AND 309(a)(5)(A) ADMINISTRATIVE ORDERS

1. Active Grants with Pretreatment Requirements

   -- Step 3
   -- Step 2
   -- Step 1

2. Grantees on Fundable Portion (One Year) of Project Priority List (Grants not yet awarded)

   -- Step 3
   -- Step 2
   -- Step 1

3. Active Major Grantees (Funded from Previous Project List)

   -- Step 3
   -- Step 2
   -- Step 1

4. Active Minor Grantees (Funded From Previous Project List)

   -- Step 3
   -- Step 2
   -- Step 1

5. Unfunded (If Funding Becomes Available in FY 1980)

This prioritization takes several considerations into account: discharger size (those required to develop pretreatment programs are generally the largest dischargers due to the 5 mgd requirement), ability to formulate a fixed schedule, funding availability, and implementation

of pretreatment requirements. While not shown on the priorities listing, efforts to move significant POTW's into the Category I from either II or III are important.

40 CFR 403.8(a) requires POTW's with design flows of greater than 5 mgd to develop pretreatment programs (POTW's with flows of 5 mgd or less may be required to develop a pretreatment program in certain circumstances). Compliance schedules for development of pretreatment programs must be incorporated into all these POTW's permits when the permits are reissued or modified (e.g., when a permit is reissued or modified to incorporate a 301(i)(1) extension). Based on the authorities necessary to obtain NPDES program approval, it is anticipated [1/] that most NPDES States have the authority to place pretreatment compliance schedules in permits prior to the approval of State pretreatment programs. Where NPDES States do not have the authority to write pretreatment compliance schedules prior to State pretreatment approval, the permit must contain a reopener or modifier clause (see 40 CFR 403.10(d)(1)), and the permit must be subsequently modified or revoked and reissued. In the very few NPDES States lacking such pretreatment authority, POTW's with pretreatment requirements should be deferred until the State obtains this authority because pretreatment compliance schedules cannot be placed immediately into permits.

Federal funding for the development of pretreatment programs is available under the Construction Grants Program. The construction grants regulations (40 CFR 35 subpart E) require the completion of

1/ Under 40 CFR 403.10(b)(1), all NPDES States will submit statements of pretreatment authority to EPA by October 10, 1978.

certain elements of the pretreatment program prior to award of Step 2 grants after June 30, 1980, the completion of the remaining elements prior to award of Step 3 grants after December 31, 1980, and the approval of a POTW pretreatment program by the 90 percent completion stage of Step 3. The 40 CFR 403 pretreatment regulations require POTW pretreatment program approval by July 1, 1983 or three years after the permit is modified or reissued, whichever is earlier. It is anticipated that it will take six months after submission of the program to obtain approval. Therefore submission of an approvable pretreatment program must be six months before the 90 percent Step 3 completion stage, 2-1/2 years after the permit is modified or reissued or January 1, 1983, whichever is earlier.

The first priority of the Construction Grants Program must be to amend these existing grants as soon as possible but in no event later than June 30, 1979, to allow a reasonable period of time before the grant application requirements take effect.

The second and third order of priority is for POTW's with active grants or POTW's on the fundable portion of the FY 1979 project priority list. These POTW's represent the fiscal years workload for the Construction Grants Program, and since funding is available, extensions are required to contain fixed terms and schedules particularly for Step 2, 3, and Step 2+3 grant awards.

The fourth and fifth priorities for FY 1979 are consistent with past policy for issuance of NPDES permits. If, on the basis of the FY 1979 project list, a determination of approximate dates to meet interim and final requirements cannot be made, processing should be delayed pending development of the FY 1980 one and five-year list.

PART VIII: MUNICIPAL REFERRAL PRIORITY SYSTEM

Purpose

The Municipal Referral Priority System (MRPS) is a system for identifying and setting priorities for case referrals to the Department of Justice by EPA and to State Attorneys General by the State. This system assumes that enforcement actions short of referral if appropriate, have been taken and did not achieve the desired results.

Referral for judicial action against POTW's which failed to meet the meet the July 1, 1977 treatment requirements can have of the following results:

- o assessment of penalities for past violations in accordance with the April 11, 1978, Penalty Policy Memoranda
- o imposition of judicially enforceable schedules of compliance
- o penalties for noncompliance with the judicially imposed schedules
- o apppointment of a special master
- o sewer hook-up bans as authorized by 402(h)
- o the availability of the funding necessary for completion of construction as a result of 309(e)

NPDES States which have the authority to assess administrative penalities should do so first, because administrative penalities contain some (but not all) elements present in the referral process and may achieve the desired results more expeditiously.

NOTE: Judicial action against POTW's which did not significantly contribute and for which judicial action is necessary to assure the availability of construction grant funding will not ordinarily seek assessment of penalties for past violations.

Scope

Candidates for judicial action under the MRPS are: (1) all POTW's for which construction is needed but which do not qualify for a 301(i)(1) extension and will not receive a 309(a)(5)(A) administrative order (Category V); (2) recipients of section 301(i)(1) permit extensions, 301(h) permit modifications, ECSL's, or administrative orders which subsequently violate such extensions, ECSL's or administrative orders; and (3) POTW's which have completed construction but are not meeting the final effluent limits or other requirements of permits (Category IV). POTW's in Category V which are subject to referral as a means of moving the POTW into Category II are discussed in a separate section in this Part entitled, Special Enforcement.

Effect of 301(i)(1) Request on Initiated Referrals

In determining that a judicial action should be taken against a POTW for failing to meet the July 1, 1977 deadline, the Agency has necessarily determined that the failure of the POTW to meet that deadline is attributable in a significant measure to the POTW's own action or inaction rather than the unavailability of Federal funds alone. Since this determination is despositive of 301(i)(1) requests, requests in these cases should be denied for any POTW's against which a judicial action has been filed or referred. The initiated referral shall continue unaffected by the MRPS.

Procedure

The referral priority rank for a POTW is based on the POTW's size and treatment level, with possible adjustments if certain factors are present. The referral priority ranking of each POTW within either an EPA Region or an NPDES State should be derived as follows:

(1) List all major POTW's in the Region or State according to population served, from the largest to the smallest (regional sewer authorities should be rank according to the total population served by the regional POTW); and

(2) Rank those POTW's into three population-served groups (POTW's with populations greater than 100,000, POTW's with populations between 50,000 and 100,000, and all other POTW's); and

(3) Within each of these three population groups, rank the POTW's according to current treatment level:

(a) POTW's with no treatment (raw dischargers).

(b) POTW's with primary treatment installed and advanced wastewater treatment required.

(c) POTW's with primary treatment installed and secondary treatment required.

(d) POTW's with intermediate treatment installed and advanced wastewater treatment required.

(e) POTW's with intermediate treatment installed and secondary treatment required.

(f) POTW's with secondary treatment installed and advanced wastewater treatment required.

(g) POTW's with secondary treatment equipment installed but not in compliance with effluent limitations.

(h) POTW's with advanced wastewater treatment equipment installed but not in compliance with effluent limitations.

(4) Within each of the eight current treatment level groups, rank POTW's according to the following eight priority factors in order of importance:

(a) Significant drinking water use/public health hazard;

(b) Fisheries, shellfish and protected areas and/or scenic and recreational areas threatened;

(c) Failure to develop adequate pretreatment programs or to operate an approved program under 40 CFR 403, or have had a spill of toxic and/or hazardous materials within the previous calendar year;

(d) Preconstruction lag greater than twelve months;

(e) POTW is eligible but has not applied for a grant (more than six months late);

(f) POTW is eligible but has not applied for a grant (less than six months late);

(g) Blatant disregard of standard operation and maintenance (O&M) procedure;

(h) Poor O&M practices which have detrimental effects on POTW performance.

Special Enforcement

Development of a referral priority list should not be perceived as restricting the Region's discretion to pursue immediately actions against other significant municipal sources where violations of a POTW's NPDES effluent criteria result in a threat to the general public health and safety in an area. The POTW would move into a top priority position for the allocation of Regional and State resources, overriding the normal order of referral as established by the MRPS.

Additionally, selected POTW's in Category III should be candidates for referral when the refferal mechanism is the best or only one available to move the POTW into Category II. The selective use of referrals will serve to break out State monies for construction because, under section 309(e) of the CWA, the State must be joined as a party to suits against municipalities and the State will be held liable "to the extent that the laws of the State prevent the municipality from raising revenues needed to comply with such judgment". Referral priority for these POTW's

should be exceeded only by cases involving threats to the general public health and safety in an area.

Output Required

The Regional Offices must use the above procedure to produce prioritized lists of specifically identified Regional and NPDES State municipal referral candidates. Each EPA Region should work with its NPDES States in identifying and prioritizing the noncomplying POTWs in the State.

An initial list shall be sent to EPA Headquarters, Office of Water Enforcement, no later than December 1, 1978. In light of the uncertainty as to the status of some POTW's, this initial list should be sent in two parts: (1) POTW's for which construction is needed or has been completed but which are clearly ineligible for a 301(i)(1) extension and for which an administrative order is not appropriate under this policy and strategy; and (2) POTW whose status regarding the July 1, 1977, deadline is unclear.

Further guidance providing for the revision and updating of this list will be forthcoming.

PART IX: FORMULATING A MUNICIPAL MANAGEMENT SYSTEM

An overall Municipal Management System will serve as the key mechanism through which EPA Regional and State Enforcement and Grants staff develop formal operating procedures to support preparation of compliance schedules in 301(i)(1) extensions and 309(a)(5)(A) administrative orders as well as to respond to instances of noncompliance when they occur. While the emphasis of this system will be on updating the current EMS numerous grants management activities must be included.

Impact of Municipal Strategy on EMS Activities

EMS procedures currently do not provide for coordinated enforcement actions in conjunction with certain grants sanctions. Consequently, in its present form, EMS does not focus the full array of options available to one Agency and State for action on municipal noncompliance.

As an integral part of establishing a new Municipal Management System, Headquarters, Regions, and eventually NPDES States must update EMS to contain management procedures for integration of the municipal permit, enforcement, and grant programs. The major thrust of this Strategy is a revitalized enforcement effort through the revision and issuance of effective permits, schedule extensions and administrative orders under the Clean Water Act. As noted earlier, permits and administrative orders will contain enforceable compliance schedules based on construction grant funding. This will require Regional and State enforcement programs to take an active role in the accomplishment of construction grant requirements that relate to construction of POTW's. The primary objective

is to develop EMS procedures which insure the routine coordination of grants, permitting and enforcement activities, and actions taken when noncompliance occurs.

EMS Development

EMS will undergo review and expansion as part of implementating the municipal strategy.

The plan for updating of EMS includes an intensive examination of four major areas of impact on the present system: noncompliance response guidance, EPA/State cooperation, Permit's Compliance System (PCS) and Grants Information System (GICS) Interface, and permits and grants coordination procedures. These areas will be developed by four national work groups composed of Headquarters, Regional and State personnel with oversight by the Deputy Assistant Administrators of Water Program Operations and Water Enforcement. Research scope and composition of the work groups will be as follows:

1. Noncompliance Response Guidance

   Function: Develop a standardized approach to non-compliance in municipal within the general responses set forth in this Strategy. This guidance will consider traditional enforcement options as well as other options available vis a viz, construction grants sanctions for municipalities.

   Composition:

   Regional Enforcement Representatives

   Regional Water Programs Representatives

   State Representatives

   Department of Justice Representative

2. EPA/State Cooperation

Function: Develop the guidance and requirements needed to create a more formal relationship between the States and the Regions. This effort would be directed primarily at coordinating the dual responsibility of NPDES permit issuance for municipalities and the grant issuance process to insure that where responsibilities are shared, as where the Region has the permitting authority and the State has the grant authority, that a mechanism exists that insures their coordination. It would also suggest how existing mechanisms such as memoranda of understanding and RA/State agreements could be modified to reflect this need as well as how the 205(a) funding policy could be utilized in this process. This group would also review the State Overview Program which has been developed by a previous work group.

Composition:

Headquarters Enforcement Representative

Headquarters Permits Representative

Headquarters Grants Representative

State Representatives

More Regional Representatives

3. Permit and Grant Interaction

Function: Develop procedures and information necessary to coordinate the permit development and grant development processes. Such procedures would insure that the permittee/grantee would view the Agency as a single element. This group would also explore the possibility of the consolidation of information in forms such as a grant application containing sufficient information to support a permit modification request. Standardized events in the permit to insure no duplicative reporting burdens on POTW's, and a review of the current reporting requirements in order to minimize unnecessary compliance requirements.

Composition:

Regional Permit Representatives

Regional Grant Representatives

State Representatives

4. Compliance and Grant Information Systems

Function: Develop procedures necessary to intergrate data from PCS and GICS into one method of information control so that permit and grant related requirements and monitored consistently. Develop procedures for reviewing and evaluating for Agency action, grant related permit requirements. This effort would develop answers to such questions as to whom the information is sent, who reviews it and what other criteria.

Composition:

Regional Enforcement Representatives

Regional Water Programs Representatives

State Representatives

PART X: THE FEDERAL STATE INTERFACE

Memoranda of Agreement between NPDES States and Regions require the NPDES States to follow national policy guidance. Therefore, all NPDES States should adhere to the policies in this Strategy. It is recognized that inherent differences within the various NPDES State permit programs may result in occasions where adherence to a national policy will contradict State laws and regulations. Each Region should request their NPDES States to review the Strategy and submit an alternate plan, subject to approval by the Regional Administrator, in those instances where this Strategy is not compatible with State laws and regulations. Any specific State requirements will be factored into program or policy modifications which are developed in the EMS and Municipal Management System development process during FY 1979.

In the unlikely event that NPDES States propose to issue permits not in conformity with the Clean Water Act, as construed in this Strategy, Regions should object to, and, if necessary, veto such permits. Guidance as to the documentation necessary to sustain a veto is currently being developed. In the meantime, Regions preparing to veto such permits should contact the Permits Division in the Office of Water Enforcement for guidance on the necessary documentation. Regions should also consider taking independent enforcement actions when the States do not follow policies enunciated in this Strategy. Further, the Regional Administrator always retains the right to control the actual awarding of construction grants and should not award grants when the NPDES State permit is inconsistent with these policies and procedures.

Thirty-two (32) States have received NPDES program approval under 402(b) of the CWA; only a few States have been delegated construction grant authority under 205(g) of the CWA. Therefore, it is anticipated that appropriate aspects of this Strategy will be incorporated as part of the requirements for construction grant authority delegation as well as NPDES program approvals. If necessary, NPDES delegations will be reviewed and revised at the time of the 205(g) delegation if necessary. More detailed guidance on this area will be developed in the EMS - Municipal Management System process during FY 79.

PART XI: IMPLEMENTATION

Following is a chronological listing of the primary actions which will achieve the objectives of this Strategy. Implementation by Regions and States should begin immediately in the following areas:

- o Processing of 301(i)(1) extension requests
- o Issuance of extensions, or where appropriate, administrative orders
- o Processing of existing municipal referrals for judicial action
- o Preliminary identification and prioritization of possible referrals for judicial action
- o Identification of POTW's requiring pretreatment programs and advisement of the need for grant amendment and permit modification (where appropriate)

Longer-term actions associated with the development of EPA and State operating procedures (Municipal Management System) will be addressed throughout FY 1979 as discussed in Part VIII. Emphasis will be placed on the PCS-GICS interface and the identification of milestone events to be used in municipal permits since these are needed to support permit issuance and administrative order development and their subsequent monitoring.

IMPLEMENTATION PROGRAM
MUNICIPAL POLICY AND STRATEGY

TIME PERIOD	ACTION(S)	RESPONSIBILITY
October 1978	o Headquarters initiates development of pretreatment guidance for NPDES permit terms and construction grant conditions/amendments	OWE/OWPO
	o NPDES States submit evidence of authority to implement pretreatment requirements	OWE/STATES
	o Headquarters receive and process 301(h) applications for waiver from secondary treatment requirements. Regions and NPDES States defer processing of 301(i)(1) extension requests pending out come of 301(h) processing.	HQ/Regions/States
	o Headquarters form work groups to develop Municipal Management System	OWE (in conjunction with OWPO)
	o Regional Construction Grants and Permits staffs implement §301(i) extension requests processing procedures on the basis of FY 79 project list, active projects, and pretreatment candidates.	EPA Regions/NPDES States
November 1978	o Headquarters completes and distributes pretreatment guidance for use by Regions and States	OWE/OWPO
	o Regional Construction Grants staff initiate amendments to active projects for inclusion of pretreatment program requirements.	EPA/Regions
	o Headquarters publish proposed revisions to 40 CFR 123 (State Programs) to require implementation of Enforcement Management Systems in approved NPDES States.	OWE

	o Regional Enforcement staff prepare preliminary listing of POTW's for judicial referral.	EPA/Regions
	o Headquarters, Regional and States representatives meet to develop more detailed plans for various EMS work groups (Emphasis on G.I.C.S./P.C.S. interface and Permit Events work groups).	Headquarters
	o Regional and State Construction Grants and Permits staffs proceed with grant awards, §301(i) permit, and administrative order issuance.	EPA Regions/States
December 1978	o Regions submit list of POTW's identified as active on possible referrals for judicial action. Comparable State actions must be included. Due 12/1/78.	EPA Regions/States
	o Regional Enforcement staff continue processing active municipal caseload and coordinate with grants and permits staff to work with denied §301(i) requests.	EPA Regions/States
January 1979	o Regional enforcement and construction grants staff coordinate with State staff to analyze municipal permit compliance needs. Where construction is required, identify impacts on State priority systems and project lists for FY80 and beyond.	Regional Permit And Grants Staff
	o Regional and Headquarters enforcement staff complete identification of immediate referrals following denied 301(i) requests.	HQ/Regions
	o Regional Permits staff identify those 301(i) requests for which processing has been delayed pending formulation of FY80 one and five-year lists.	Regional Permit Staff

	o Headquarters staff prepare guidance on FY80 priority list.	HQ/OWPO (in conjunction with OWE)
	o Work groups complete draft National Enforcement Management System Guide (include PCS element additions). Sent draft to Regions and States for comments.	HQ (work groups)
March 1979	o Work groups reconvene to consider Regional and State comments on EMS and other management system proposals.	HQ/Regions/States
	o Regional/State Enforcement staff advise non-complying municipalities of construction grant funding availability and type of project for which application must be made.	Regions/States
	o Construction Grants and Permit staffs continue processing pretreatment grant amendments grant awards, and permit modifications, an administrative orders, if necessary.	Regions/States
	o Processing of 301(i)(1) requests continues for denial 301(h) applications.	Regions/States
June 1979	o Final EMS and other Municipal Management System policies issued.	HQ
	o Grants and permits staff should complete processing of grant amendments and related permit modifications for pretreatment.	Regions/States
	o Complete processing of State Pretreatment submissions	HQ/Regions

July 1979	o Regional Enforcement and Construction Grants staff coordinate with States to develop FY80 one and five-year project lists and priority systems to insure compliance with enforceable requirements.	Regions/States
August 1979	o States submit FY80 one and five-year lists and systems. Regional Enforcement and Construction Grants staff review for project adequacy and request modifications if necessary.	Regions/States
September 1979	o Regions approve or disapprove projects on one-year list and proceed with remaining §301(i) processing and permit issuance. Denied requests referred to Enforcement for appropriate action.	Regions
October 1979	o Regions and States continue to process §301(i) requests and grant awards.	Regions/States
.	o Revised EMS implemented by Regions and States	Regions/States
Continuing	o Regions and States manage §301(i) permit and grant schedules in accordance with expanded EMS and Municipal Management System procedures. Where noncompliance occurs, cases will be managed accordingly.	Regions/States

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